



*United States Senate*  
**Committee on Small Business  
and Entrepreneurship**

*Olympia J. Snowe, Chair*

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## **SOLVING SMALL BUSINESS HEALTH CARE CRISIS**

*Snowe highlights role of Association Health Plans*

WASHINGTON, D.C. – U.S. Senator Olympia J. Snowe (R-Maine), Chair of the Senate Committee on Small Business and Entrepreneurship, today commended Health, Education, Labor and Pensions Committee Chairman Mike Enzi (R-WY) for his commitment to developing solutions to the small business health care cost crisis. Senator Enzi today set forth his "Foundation Principles of Health Insurance Reform," one of which is a commitment to giving Association-based plans the opportunity to harness the advantage of independent pooling as part of a broader set of reforms.

"I applaud Chairman Enzi for taking the first steps to end the health care cost crisis facing the largest portion of the uninsured population in America: the 27 million men, women and children in the small business community," said Snowe. "While it is important to recognize the efforts of the committee to address this ever-growing problem, it is clear that much work remains to be done. I believe my Association Health Plan legislation (S. 406), which has a history of strong bipartisan support, will go a long way toward solving the problem. It represents a fair, fiscally sound, and already proven approach to reducing the number of uninsured in this country at nominal cost to the Federal government."

Senator Snowe's Small Business Health Fairness Act would give small businesses the same market-based advantages and competitive leverage that large employers and unions enjoy when providing employees health insurance. Passage of the bill would help many of the nearly 45 million uninsured individuals access health insurance through their small business employer.

"Plain and simple, the Small Business Health Fairness Act provides more competition," said Snowe. "More competition brings more choice. Both are critical to making health insurance affordable, and would finally put small business on fair and equal footing with larger businesses, labor unions and government."

Under Snowe's bill, small businesses would be able to pool together, nationally, through trade associations, and either purchase their health insurance from a provider, or self insure in the same way that large employers and unions currently do. Studies by the the General Accounting Office and the Congressional Budget Office have found that AHPs operate with between 13 percent and 30 percent lower administrative costs.



The bill also includes extensive new protections to safeguard national AHPs from the current epidemic of fraud and abuse that is occurring through sham trade associations that take money from unsuspecting small businesses and then are either unable or unwilling to pay claims filed by subscribers.

AHPs would be closely monitored and regulated by the Department of Labor's Employee Benefits Security Administration in the same way that the Labor Department currently oversees health plans covering 78 million people.

"I appreciate that Chairman Enzi has expressed a strong commitment to ensuring that associations have a meaningful role in any final plan put forward dealing with small-business health insurance reform," said Snowe. "He is correct that the largest portion of America's uninsured population – small business – deserves a seat at the table. I look forward to enacting legislation to address the small business health care crisis."

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